

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

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| IN RE: | § | |
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| DEEPROOT CAPITAL MANAGEMENT, LLC, ET AL., ¹ | § | BANKRUPTCY No. 21-51523-MMP |
| | § | LEAD CASE |
| DEBTORS. | § | JOINTLY ADMINISTERED |

| | | |
|-----------------------|---|-------------------------|
| IN RE: | § | |
| | § | |
| POLICY SERVICES, INC. | § | BANKRUPTCY No. 21-51513 |
| | § | |
| DEBTOR. | § | JOINTLY ADMINISTERED |

**TRUSTEE’S MOTION TO EXPEDITE HEARING ON
TRUSTEE’S MOTION TO APPROVE (A) SALE OF LIFE INSURANCE POLICIES,
(B) SALE PROCEDURES, STALKING HORSE AGREEMENT AND BID PROTECTIONS IN
CONNECTION WITH THE SALE OF PROPERTY OF THE ESTATE OF POLICY SERVICES, INC., AND
(C) THE FORM OF NOTICE FOR THE SALE OF PROPERTY
OF THE ESTATE OF POLICY SERVICES, INC. [RELATING TO ECF No. 78]**

TO THE HONORABLE MICHAEL M. PARKER, UNITED STATES BANKRUPTCY JUDGE:

John Patrick Lowe, Chapter 7 Trustee of the above captioned jointly administered bankruptcy estates (“**Trustee**”), on behalf of Policy Services, Inc., a jointly administered debtor (the “**Debtor**”) in the above captioned case (the “**Case**”), by and through its counsel Pulman, Cappuccio & Pullen, LLP, hereby files *Trustee’s Motion to Expedite Hearing on Trustee’s Motion to Approve (A) Sale of Life Insurance Policies, (B) Sale Procedures, Stalking Horse Agreement and Bid Protections in Connection*

¹ The Debtors in these chapter 7 cases, along with the last four digits of each Debtor's federal tax identification number, are: Policy Services, Inc. (2864), Wizard Mode Media, LLC (3205), deeproot Pinball LLC (0320), deeproot Growth Runs Deep Fund, LLC (8046), deeproot 575 Fund, LLC (9404), deeproot 3 Year Bonus Income Debenture Fund, LLC (7731), deeproot Bonus Growth 5 Year Debenture Fund, LLC (9661), deeproot Tech LLC (9043), deeproot Funds LLC (9404), deeproot Studios LLC (6283), and deeproot Capital Management, LLC (2638).

*with the Sale of Property of the Estate of Policy Services, Inc. and (C) the Form of Notice for the Sale of Property of the Estate of Policy Services, Inc. (the “**Expedite Motion**”), seeking an expedited hearing on the Trustee’s Motion to Approve (A) Sale of Life Insurance Policies, (B) Sale Procedures, Stalking Horse Agreement and Bid Protections in Connection with the Sale of Property of the Estate of Policy Services, Inc. and (C) the Form of Notice for the Sale of Property of the Estate of Policy Services, Inc. [ECF No. 78] (the “**Sale and Procedure Motion**”).* In support of the Expedite Motion, Trustee respectfully represents as follows:

1. Trustee is moving to sell certain personal property of the Estate of Policy Services, Inc., one of the jointly administered Debtors (“Debtor”), described as follows:

Life Insurance Policies described in Exhibit A-1 to the Sale and Procedure Motion (the “**In-Force Insurance Policies**”); and

Life Insurance Policies described in Exhibit A-2 to the Sale and Procedure Motion (the “**Lapsed Insurance Policies**”).

The In-Force Insurance Policies and the Lapsed Insurance Policies are collectively referred to herein either as the “**Policies**” or the “**Life Insurance Policies**” as the context may require.

2. Debtor’s estate (“**Estate**”) is the owner and sole beneficiary of the In-Force Insurance Policies and the Lapsed Insurance Policies. To the best of Trustee’s knowledge, there are seven or eight life insurance policies still in force which are owned by the Debtor, and at least twelve or thirteen life insurance policies that have lapsed due to non-payment. The face amount (death benefit) of the Lapsed Insurance Policies is approximately \$27,365,000. The face amount (death benefit) of the In-Force Insurance Policies is \$7,100,000, although any single policy may have accumulated a debt against the death benefit for unpaid premiums. The In-Force Insurance Policies require the on-going payment of policy premiums which the Trustee estimates will amount to as much as \$100,000.00 within the next thirty to sixty days. Currently, the Trustee has approximately \$4,947.00 in cash in the Debtor’s segregated bank account. The Trustee does not have the funds to pay the on-going premiums for the In-

Force Insurance Policies. As a result, it is vital that the assets be sold while they are still viable, to maximize any value for the Debtor's Estate.

3. The Trustee has been approached by a potential purchaser, who has offered to purchase the Life Insurance Policies and to attempt to revive or cure the Lapsed Insurance Policies.

4. As stated in the Sale and Procedure Motion, the Trustee is without sufficient funds to maintain the premiums on the In-Force Policies or to attempt to revive the Lapsed Policies. As a result, it is vital that these assets be sold as quickly as possible, in order to maintain their value.

5. Trustee seeks an expedited hearing on the Sale and Procedure Motion on Friday, March 18, 2022, in order to expedite the sale procedures process and set certain deadlines so that the assets may be sold before more premium amounts are due to be paid, to prevent additional lapses.

6. Based on the foregoing, Trustee believes there is good and sufficient cause to consider the Sale and Procedure Motion on an expedited basis.

WHEREFORE, Debtor respectfully requests that the Court enter an Order setting an expedited hearing on the *Trustee's Motion to Approve (A) Sale of Life Insurance Policies, (B) Sale Procedures, Stalking Horse Agreement and Bid Protections in Connection with the Sale of Property of the Estate of Policy Services, Inc. and (C) the Form of Notice for the Sale of Property of the Estate of Policy Services, Inc.*, for March 18, 2022 or some other date convenient for the Court, and granting such other relief as is just and proper.

Respectfully submitted,

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By: /s/ Randall A. Pulman
Randall A. Pulman
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**ATTORNEYS FOR JOHN PATRICK LOWE,
CHAPTER 7 TRUSTEE**

CERTIFICATE OF CONFERENCE

Counsel for Trustee attempted to confer with counsel for Debtor and the U.S. Trustee on March 15, 2022. Neither responded to the email attempting to confer.

/s/ Randall A. Pulman
Randall A. Pulman

CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of March, 2022, I electronically filed the foregoing document using the CM/ECF system, which will serve the document on the following list of parties in interest and parties requesting notice; it was served on the Debtors via CM/ECF to their counsel, as indicated below

Via Counsel CM/ECF:

catherine.curtis@wickphillips.com

jason.rudd@wickphillips.com

Policy Services, Inc.

deeproot Pinball, LLC

deeproot Growth Runs Deep Fund, LLC

deeproot 575 Fund, LLC

deeproot 3 Year Bonus Income Fund, LLC

deeproot BonusGrowth 5 Year Debenture Fund, LLC

deeproot Tech, LLC

deeproot Funds, LLC

deeproot Studios, LLC

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United States Trustee - SA12

US Trustee's Office

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John C. Dunne

SMFAD Law

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Houston, TX 77002

Via CM/ECF: bk-cmurphy@oag.texas.gov

Texas Workforce Commission

c/o Christopher S. Murphy

Texas Attorney General's Office

PO Box 12548

Austin, TX 78711

/s/ Randall A. Pulman

Randall A. Pulman

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

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| POLICY SERVICES, INC. | § | BANKRUPTCY No. 21-51513 |
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| DEBTOR. | § | JOINTLY ADMINISTERED |

**ORDER GRANTING TRUSTEE'S MOTION TO EXPEDITE HEARING ON
TRUSTEE'S MOTION TO APPROVE (A) SALE OF LIFE INSURANCE POLICIES,
(B) SALE PROCEDURES, STALKING HORSE AGREEMENT AND BID PROTECTIONS IN
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On this day came to be heard the *Trustee's Motion to Expedite Hearing on Trustee's Motion to Approve (A) Sale of Life Insurance Policies, (B) Sale Procedures, Stalking Horse Agreement and Bid Protections in Connection with the Sale of Property of the Estate of Policy Services, Inc. and (C) the Form of Notice for the Sale of Property of the Estate of Policy Services, Inc. (the "Expedite Motion")*, seeking an expedited hearing on the *Trustee's Motion to Approve (A) Sale of Life Insurance Policies, (B) Sale Procedures, Stalking Horse Agreement and Bid Protections in Connection with the Sale of Property of the Estate of Policy Services, Inc. and (C) the Form of Notice for the Sale of Property of the Estate of Policy Services, Inc. (the "Sale and Procedure Motion")*. After reviewing the pleadings and representation of counsel, this Court is of the opinion that the Expedite Motion should in all things be GRANTED.

It is, therefore, ordered that an expedited hearing on the Trustee's Sale and Procedure Motion shall be set for the date and time set forth above.

Trustee's counsel shall be responsible for sending notice of the expedited hearing.

#

Submitted by:

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**ATTORNEYS FOR JOHN PATRICK LOWE,
CHAPTER 7 TRUSTEE**